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The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center March 1991

Consumer Confidence Survey

February results

Confidence Only Moderately Better

The measure of consumer confidence, which registered a large loss in January, was up moderately in February. The current Index (1985 = 100) reading is 57.7, a gain of about 2.5 points for the month. In their assessment of ongoing conditions, consumers are, in fact, slightly less positive than the month before, but expectations for the next six months registered a good gain.

Confidence had been retreating through the first half of last year. In August, with the invasion of Kuwait, it dropped sharply. It registered another big loss in October during the congressional budget crisis, and lost further ground in January with the increased tension in the Gulf. Clearly, the current low level of consumer confidence reflects both the weakening economy and international uncertainty.

Consumers continue to express considerable concern about jobs. Now, a third complain they are "hard to get," and almost the same number expect there to be even fewer jobs six months from now. These are among the dreariest results since the 1982 recession.

Plans to buy cars, which had been running at depressed levels since the Fall, picked up moderately in February. Now, 7.2 percent say they will purchase an automobile within the next six months. This is the best reading since October. Interest in homes, while still less than inspiring, is nevertheless marginally stronger than it has been in the past four months. Interest in major appliances has also perked up slightly but is still relatively weak.

The number of persons planning a vacation in the months ahead is down. Plans to visit a foreign country are lower than they have been in some years. Only 6.6 percent of all those surveyed now plan to travel abroad, compared with 9.3 percent this time a year ago.

The present low level of the Consumer Confidence Index overstates the weakness of the economy. The unemployment and inflation rates, which evidently have a major effect on the family's financial well-being, are the two most important determinants of the general level of consumer confidence. Neither unemployment nor inflation are currently sufficiently distressing to explain the exceptionally low level of the consumer's spirits. Clearly, the war in the Gulf is adding to the public's uncertainties.

Fabian Linden

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business | **Employment** | **Income**

All series seasonally adjusted.	1990 *Feb.*	*Mar.*	*Apr.*	*May*	*Jun.*	*Jul.*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	1991 *Jan.(r)*	*Feb.(p)*
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	106.7	110.6	107.3	107.3	102.4	101.7	84.7	85.6	62.6	61.7	61.2	55.1	57.7
Present Situation	126.3	123.7	119.4	117.8	111.1	116.6	100.4	97.5	73.2	70.3	63.3	54.7	52.6
Expectations	93.7	101.9	99.2	100.3	96.6	91.8	74.2	77.7	55.6	56.1	59.8	55.3	61.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	25.1	24.9	23.8	23.1	22.6	23.4	20.8	19.4	14.2	14.4	13.3	11.1	11.8
Bad	18.1	19.7	19.3	19.7	20.1	20.7	23.5	24.6	28.9	29.8	30.3	34.4	33.1
Normal	56.8	55.4	56.9	57.2	57.3	55.9	55.7	56.0	56.9	55.8	56.4	54.5	55.1
Employment													
Jobs plentiful	28.1	29.2	26.6	26.9	23.4	25.6	21.4	20.6	15.3	13.7	12.4	11.4	9.8
Jobs not so plentiful	51.4	49.0	51.1	50.2	52.9	52.3	52.8	54.3	54.9	56.9	55.9	55.5	57.0
Jobs hard to get	20.5	21.8	22.3	22.9	23.7	22.1	25.8	25.1	29.8	29.4	31.7	33.1	33.2
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	16.7	19.4	17.2	18.5	17.5	17.3	13.7	15.1	12.0	10.9	12.1	11.8	14.1
Worse	11.4	9.5	9.2	9.7	10.4	11.9	18.7	20.4	29.7	29.6	25.6	28.1	24.7
Same	71.9	71.1	73.6	71.8	72.1	70.8	67.6	64.5	58.3	59.5	62.3	60.1	61.2
Employment													
More jobs	14.3	16.6	15.4	15.9	15.5	14.6	11.3	13.9	9.5	9.9	9.9	9.0	11.0
Fewer jobs	17.4	15.4	16.2	16.3	16.5	18.0	22.7	23.2	34.9	34.9	33.9	35.3	32.0
Same	68.3	68.0	68.4	67.8	68.0	67.4	66.0	62.9	55.6	55.2	56.2	55.7	57.0
Income													
Increase	26.6	27.6	29.3	26.6	27.2	27.8	24.2	26.5	19.5	22.4	22.3	19.8	19.5
Decrease	6.0	6.3	6.3	5.2	7.0	7.8	8.5	8.7	11.0	11.5	10.4	11.1	12.1
Same	67.4	66.1	64.4	68.2	65.8	64.4	67.3	64.8	69.5	66.1	67.3	69.1	68.4
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.6	8.1	6.2	8.3	8.4	8.8	7.5	7.8	6.3	6.5	6.2	6.0	7.2
New	3.2	4.0	3.7	4.0	4.0	3.3	4.3	3.8	3.3	2.2	2.9	3.0	3.7
Used	3.3	3.3	2.1	3.1	3.3	4.6	2.9	2.7	2.0	3.2	2.8	2.4	2.7
Uncertain	1.1	0.8	0.4	1.2	1.1	0.9	0.3	1.3	1.0	1.1	0.5	0.6	0.8
Home													
Yes	4.1	3.9	2.9	3.9	3.6	4.3	3.0	2.9	2.9	2.6	2.7	2.6	2.9
New	1.0	1.2	0.8	1.1	0.9	0.8	1.0	0.8	0.6	0.9	0.6	0.7	0.8
Lived in	1.9	1.6	1.4	2.0	1.8	2.5	1.3	1.2	1.7	1.4	1.5	1.3	1.4
Uncertain	1.2	1.1	0.7	0.8	0.9	1.0	0.7	0.9	0.6	0.3	0.6	0.6	0.7
Major appliances													
Total plans	31.5	31.9	31.3	29.5	28.8	27.4	32.8	30.3	26.0	25.3	26.9	27.4	27.8
Refrigerator	4.3	5.1	4.5	5.2	4.4	4.4	5.4	4.8	3.6	3.7	4.1	4.4	5.1
Washing machine	4.8	4.4	3.6	3.7	4.1	4.2	4.3	3.9	3.6	3.1	3.5	3.9	4.1
TV Set	7.8	7.3	7.8	6.8	6.9	6.3	7.8	7.7	7.0	6.8	7.1	6.9	6.3
Vacuum Cleaner	5.1	6.3	6.0	5.3	4.5	4.4	6.1	5.7	4.1	4.5	4.7	5.0	4.5
Range	3.1	2.9	3.5	3.0	3.0	3.2	2.7	3.0	2.9	2.3	3.0	2.7	3.1
Clothes dryer	3.7	3.8	3.8	3.3	3.9	2.7	4.0	3.2	3.2	2.7	3.0	2.9	2.8
Air conditioner	2.7	2.1	2.1	2.2	2.0	2.2	2.5	2.0	1.6	2.2	1.5	1.6	1.9
Carpet	6.9	6.5	6.2	6.2	6.6	7.0	7.3	6.7	5.9	5.1	5.6	6.2	5.5
Vacation Intended Within Six Months: Percent													
Vacation Intended	49.9		48.1		48.6		48.9		45.9		47.4		45.3
Destination													
U.S.	42.8		41.1		42.2		41.8		40.0		41.4		40.3
Foreign country	9.3		8.8		8.1		9.2		7.5		7.3		6.6
Means of travel													
Automobile	28.7		28.6		29.4		29.4		27.7		27.9		28.0
Airplane	19.6		18.8		19.4		17.9		16.4		17.5		16.2
Other	4.4		3.8		3.3		4.6		3.9		3.7		3.8

(p)—preliminary (r)—revised

The Conference Board, 845 Third Avenue, New York, New York 10022
The Conference Board Europe, Avenue Louise, 207-Bte 5, B-1050 Brussels, Belgium
The Conference Board of Canada, 255 Smyth Road, Ottawa, Ontario, KIH-8M7

nflation nterest Rates Stock Prices

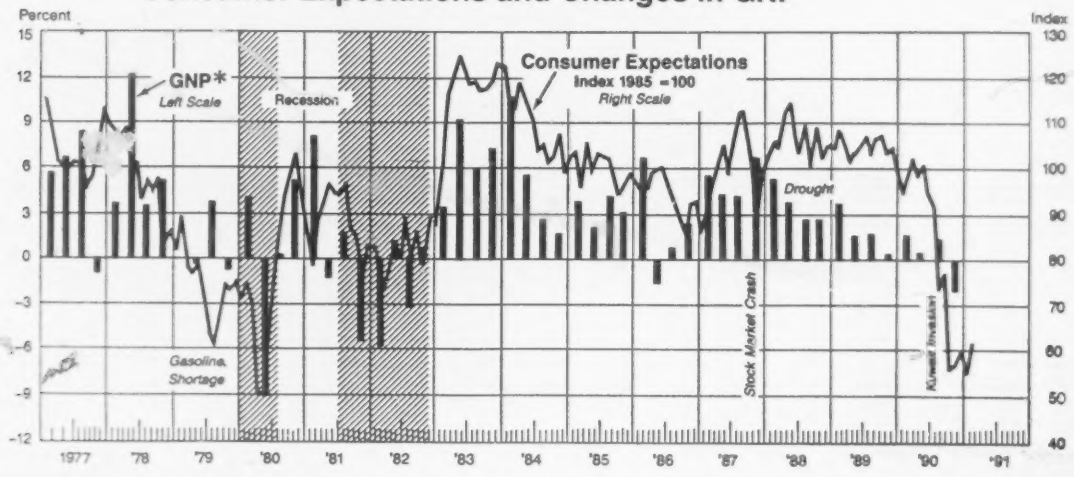
Not seasonally adjusted	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.(r)	Feb.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.8	4.9	4.9	4.9	4.9	4.9	5.4	5.7	6.4	5.9	5.8	5.5	5.2
Interest Rates													
Higher	52.5	58.7	54.5	62.6	56.2	49.5	58.4	64.2	57.4	53.2	49.8	33.4	33.6
Same	26.0	23.9	28.2	23.2	25.3	29.3	20.9	18.8	18.0	21.9	19.9	20.8	21.4
Lower	21.5	17.4	17.3	14.2	18.5	21.2	20.7	17.0	24.6	24.9	30.3	45.8	45.0
Stock Prices													
Increase	35.0	39.0	36.8	38.7	43.6	38.5	30.3	31.4	26.8	25.8	27.4	26.3	37.4
Same	35.7	34.8	37.4	37.0	34.8	36.7	30.9	28.8	25.0	28.2	30.0	29.9	31.2
Decrease	29.3	26.2	25.8	24.3	21.6	24.8	38.8	39.8	48.2	46.0	42.6	43.8	31.4

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.(r)	Feb.(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	119.3	122.4	116.1	118.9	111.9	114.5	100.9	94.2	81.9	80.1	73.5	66.5	60.8	- 21.6
35-54	107.9	110.8	109.8	106.7	100.9	102.2	85.0	86.6	61.6	59.6	61.9	56.8	60.9	- 13.6
55 and over	91.3	98.4	94.3	95.2	94.1	88.4	70.2	76.6	50.0	50.5	50.7	42.5	50.1	- 19.1
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	78.1	84.5	78.7	83.2	75.4	79.8	59.0	71.6	50.7	46.4	54.2	41.4	44.7	- 16.8
$15,000-24,999	97.1	100.5	106.1	103.1	91.9	98.8	83.4	80.7	55.0	62.9	55.4	49.4	53.5	- 20.3
$25,000 and over	119.9	123.7	119.1	117.9	116.7	109.8	96.0	91.8	69.9	68.3	65.9	62.6	64.3	- 16.1

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

Consumer Expectations and Changes in GNP



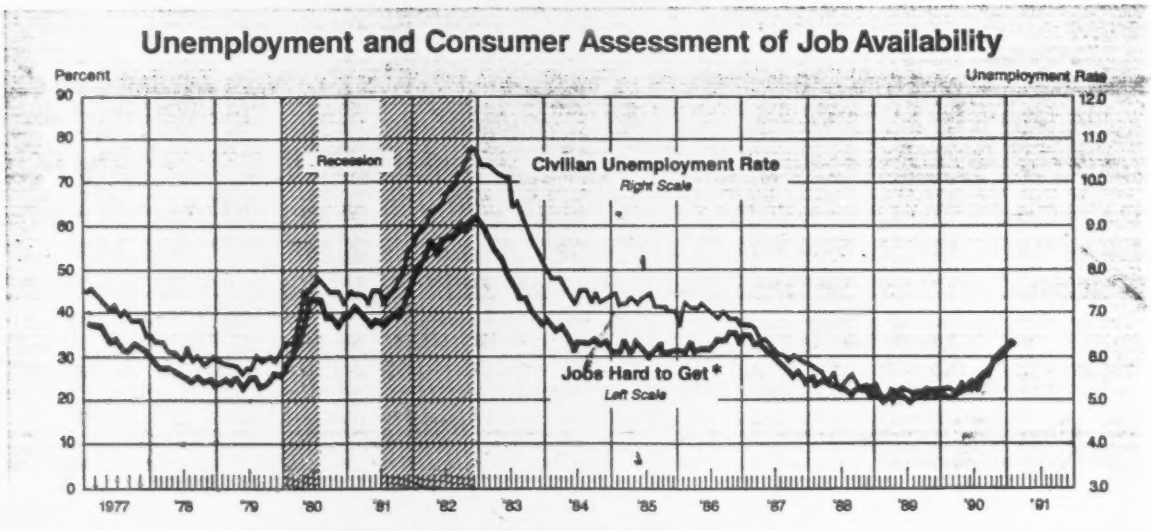
*Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1990 Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.(r)	Feb.(p)	AVERAGE: Dec., Jan., Feb. 1990	1991	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	80.5	85.7	64.6	69.9	51.6	42.5	29.2	39.4	23.0	26.3	26.9	29.6	35.9	81.9	30.8	-62.4
Present Situation	105.4	96.8	71.9	68.2	53.3	38.3	22.5	29.9	9.2	10.8	8.8	6.5	2.6	112.3	5.9	-94.7
Expectations	63.9	78.3	59.7	71.1	50.5	45.4	33.8	45.8	32.2	36.7	38.9	45.0	58.1	61.7	47.4	-23.2
MIDDLE ATLANTIC																
Consumer Confidence Index	101.4	98.6	95.1	99.7	91.5	86.0	69.8	75.7	56.9	47.8	47.3	46.2	46.7	107.9	46.7	-56.7
Present Situation	126.6	111.1	108.9	106.6	111.9	104.7	92.2	96.6	74.3	53.0	48.2	38.4	33.7	133.1	40.1	-69.9
Expectations	84.6	90.3	85.9	95.1	78.0	73.5	54.8	61.7	45.3	44.4	46.8	51.4	55.4	91.1	51.2	-43.8
EAST NORTH CENTRAL																
Consumer Confidence Index	102.4	110.7	108.3	109.0	102.3	104.1	88.8	87.8	72.7	65.7	60.9	56.4	52.6	107.2	56.6	-47.2
Present Situation	117.2	117.2	123.4	127.0	118.1	125.3	111.1	113.5	101.2	87.4	80.6	66.7	50.4	122.4	65.9	-46.1
Expectations	92.5	106.3	98.2	97.0	91.7	90.0	73.9	70.7	53.6	51.2	47.8	49.5	54.1	97.1	50.5	-48.0
WEST NORTH CENTRAL																
Consumer Confidence Index	98.2	92.3	101.9	92.8	94.2	94.1	78.7	68.7	67.2	61.0	54.3	61.1	56.3	99.0	57.2	-42.2
Present Situation	105.1	101.1	106.1	110.3	103.9	116.6	94.1	83.6	87.5	78.7	62.3	65.7	61.0	110.0	63.0	-42.7
Expectations	93.6	86.4	99.0	81.2	87.8	79.1	68.4	58.8	53.7	49.2	49.0	58.0	53.1	91.6	53.4	-41.7
SOUTH ATLANTIC																
Consumer Confidence Index	125.2	130.2	121.4	122.6	128.9	119.9	95.9	98.0	74.0	69.4	63.5	59.2	70.8	124.9	64.5	-48.4
Present Situation	148.3	156.8	146.4	147.0	149.2	146.9	121.3	126.3	95.4	87.9	74.5	63.4	63.8	151.1	67.2	-55.5
Expectations	109.8	112.5	104.7	106.4	115.4	101.9	79.0	79.1	59.8	57.1	56.1	56.4	75.5	107.5	62.7	-41.7
EAST SOUTH CENTRAL																
Consumer Confidence Index	87.6	101.7	91.7	79.4	87.7	96.4	76.6	90.1	55.9	47.9	64.9	50.7	59.0	92.6	58.2	-37.1
Present Situation	81.4	85.1	84.8	68.1	79.3	102.8	82.9	102.4	59.7	47.4	63.4	39.2	50.3	83.5	51.0	-39.0
Expectations	91.7	112.8	96.2	86.9	93.3	92.1	72.4	81.9	53.3	48.3	65.8	58.4	64.9	98.6	63.0	-36.1
WEST SOUTH CENTRAL																
Consumer Confidence Index	95.6	93.2	92.0	90.5	78.9	84.7	77.5	90.6	63.5	71.8	70.0	60.3	67.8	89.3	66.0	-26.0
Present Situation	58.7	57.7	60.1	58.4	51.7	59.1	58.3	62.5	44.0	47.1	54.3	42.1	44.1	50.3	46.8	- 7.0
Expectations	120.2	116.9	113.4	111.9	97.1	101.8	90.3	109.4	76.5	88.3	80.4	72.4	83.6	115.2	78.8	-31.6
MOUNTAIN																
Consumer Confidence Index	92.8	96.2	104.3	101.0	97.2	99.3	72.0	108.5	62.5	68.6	77.1	67.9	66.6	88.9	70.5	-20.7
Present Situation	69.0	68.2	74.9	82.2	75.8	88.0	64.1	96.5	51.4	60.6	58.7	51.4	39.2	60.3	49.8	-17.4
Expectations	108.6	114.9	123.9	113.5	111.5	106.8	77.2	116.5	70.0	74.0	89.3	78.9	84.9	108.1	84.4	-21.9
PACIFIC																
Consumer Confidence Index	138.5	139.8	126.1	127.5	119.6	121.9	108.3	105.6	88.0	92.0	80.0	70.3	78.2	135.0	76.2	-43.6
Present Situation	174.6	167.8	160.6	165.2	151.0	168.1	153.8	143.4	120.0	134.1	113.2	78.1	85.1	170.3	92.1	-45.9
Expectations	114.4	121.1	103.2	102.4	98.7	91.1	77.9	80.4	66.7	63.9	57.9	65.1	73.6	111.4	65.6	-41.2

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.



*Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.